

HOUSE AMENDMENT NO. _____
TO
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Offered By

1 AMEND House Amendment No. _____ to House Committee Substitute for Senate Committee
2 Substitute for Senate Bill No. 861, Page __ 1 __, Line __ 4 __, by inserting after all of said line the
3 following:

4
5 "Further amend said bill, Page 2, Section 68.075, Line 49, by inserting immediately after all of said
6 line the following:

7
8 "99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise,
9 the following terms shall mean:

10 (1) "Blighted area", an area which, by reason of the predominance of defective or
11 inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements,
12 improper subdivision or obsolete platting, or the existence of conditions which endanger life or
13 property by fire and other causes, or any combination of such factors, retards the provision of
14 housing accommodations or constitutes an economic or social liability or a menace to the public
15 health, safety, morals, or welfare in its present condition and use;

16 (2) "Central business district", the area at or near the historic core of a city, village, or town
17 that is locally known as the "downtown", with eighty percent or more of the land use being
18 dedicated to a combination of business, commercial, financial, transportation, and government
19 purposes, with the majority of the buildings built more than fifty years prior to the redevelopment;

20 (3) "Collecting officer", the officer of the municipality responsible for receiving and
21 processing payments in lieu of taxes or economic activity taxes from taxpayers or the department of
22 revenue;

23 [(3)] (4) "Conservation area", any improved area within the boundaries of a redevelopment
24 area located within the territorial limits of a municipality in which fifty percent or more of the
25 structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted
26 area but is detrimental to the public health, safety, morals, or welfare and may become a blighted
27 area because of any one or more of the following factors: dilapidation; obsolescence; deterioration;
28 illegal use of individual structures; presence of structures below minimum code standards;
29 abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of
30 ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land
31 use or layout; depreciation of physical maintenance; and lack of community planning. A
32 conservation area shall meet at least three of the factors provided in this subdivision for projects
33 approved on or after December 23, 1997;

Standing Action Taken _____ Date _____

Select Action Taken _____ Date _____

1 [(4)] (5) "Economic activity taxes", the total additional revenue from taxes which are
 2 imposed by a municipality and other taxing districts, and which are generated by economic
 3 activities within a redevelopment area over the amount of such taxes generated by economic
 4 activities within such redevelopment area in the calendar year prior to the adoption of the ordinance
 5 designating such a redevelopment area, while tax increment financing remains in effect, but
 6 excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by
 7 transient guests of hotels and motels, licenses, fees or special assessments, or sales taxes dedicated
 8 by a vote of the people to specific purposes or projects. For redevelopment projects or
 9 redevelopment plans approved after December 23, 1997, if a retail establishment relocates within
 10 one year from one facility to another facility within the same county and the governing body of the
 11 municipality finds that the relocation is a direct beneficiary of tax increment financing, then for
 12 purposes of this definition, the economic activity taxes generated by the retail establishment shall
 13 equal the total additional revenues from economic activity taxes which are imposed by a
 14 municipality or other taxing district over the amount of economic activity taxes generated by the
 15 retail establishment in the calendar year prior to its relocation to the redevelopment area;

16 [(5)] (6) "Economic development area", any area or portion of an area located within the
 17 territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and
 18 [(3)] (4) of this section, and in which the governing body of the municipality finds that
 19 redevelopment will not be solely used for development of commercial businesses which unfairly
 20 compete in the local economy and is in the public interest because it will[:

21 (a) discourage commerce, industry or manufacturing from moving their operations to
 22 another state[; or

23 (b) Result in increased employment in the municipality; or

24 (c) Result in preservation or enhancement of the tax base of the municipality];

25 [(6)] (7) "Gambling establishment", an excursion gambling boat as defined in section
 26 313.800 and any related business facility including any real property improvements which are
 27 directly and solely related to such business facility, whose sole purpose is to provide goods or
 28 services to an excursion gambling boat and whose majority ownership interest is held by a person
 29 licensed to conduct gambling games on an excursion gambling boat or licensed to operate an
 30 excursion gambling boat as provided in sections 313.800 to 313.850. This subdivision shall be
 31 applicable only to a redevelopment area designated by ordinance adopted after December 23, 1997;

32 [(7)] (8) "Greenfield area", any vacant, unimproved, or agricultural property that is located
 33 wholly outside the incorporated limits of a city, town, or village, or that is substantially surrounded
 34 by contiguous properties with agricultural zoning classifications or uses unless said property was
 35 annexed into the incorporated limits of a city, town, or village ten years prior to the adoption of the
 36 ordinance approving the redevelopment plan for such greenfield area;

37 (9) "High unemployment", unemployment in the proposed redevelopment area of at least
 38 one and one-half times that of the metropolitan statistical area in which the area is located or one
 39 and one-half times the unemployment rate of nonmetropolitan counties if the area is not located in a
 40 metropolitan statistical area;

41 (10) "Low fiscal capacity", per capita assessed valuation of property in the municipality of
 42 less than sixty percent of the entire county in which it is located or, in unincorporated areas, if the
 43 per capita assessed valuation of property in the school district is less than sixty percent of the entire
 44 county in which it is located;

45 (11) "Moderate income", either a Missouri municipality that has a population of at least one
 46 thousand five hundred within a metropolitan statistical area and has a median household income of
 47 under eighty percent of the median household income for the metropolitan statistical area according
 48 to the last decennial census, or a United States census block group or contiguous group of block

1 groups within a metropolitan statistical area that has a population of at least one thousand five
 2 hundred and has, for each block group, a median household income for the metropolitan area in
 3 Missouri according to the last decennial census;

4 [(8)] (12) "Municipality", a city, village, or incorporated town or any county of this state.
 5 For redevelopment areas or projects approved on or after December 23, 1997, "municipality"
 6 applies only to cities, villages, incorporated towns or counties established for at least one year prior
 7 to such date;

8 [(13)] (12) "New job", a job in a new or expanding redevelopment project not including jobs of
 9 recalled workers, replacement jobs, or jobs that formerly existed in the same industry in the area;

10 [(9)] (14) "Obligations", bonds, loans, debentures, notes, special certificates, or other
 11 evidences of indebtedness issued by a municipality to carry out a redevelopment project or to refund
 12 outstanding obligations;

13 [(10)] (15) "Ordinance", an ordinance enacted by the governing body of a city, town, or
 14 village or a county or an order of the governing body of a county whose governing body is not
 15 authorized to enact ordinances;

16 [(11)] (16) "Payment in lieu of taxes", those estimated revenues from real property in the
 17 area selected for a redevelopment project, which revenues according to the redevelopment project or
 18 plan are to be used for a private use, which taxing districts would have received had a municipality
 19 not adopted tax increment allocation financing, and which would result from levies made after the
 20 time of the adoption of tax increment allocation financing during the time the current equalized
 21 value of real property in the area selected for the redevelopment project exceeds the total initial
 22 equalized value of real property in such area until the designation is terminated pursuant to
 23 subsection 2 of section 99.850;

24 [(12)] (17) "Redevelopment area", an area designated by a municipality, in respect to which
 25 the municipality has made a finding that there exist conditions which cause the area to be classified
 26 as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant
 27 to sections 135.200 to 135.256, or a combination thereof, which area includes only those parcels of
 28 real property directly and substantially benefitted by the proposed redevelopment project;

29 [(13)] (18) "Redevelopment plan", the comprehensive program of a municipality for
 30 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
 31 conditions, the existence of which qualified the redevelopment area as a blighted area, conservation
 32 area, economic development area, or combination thereof, and to thereby enhance the tax bases of
 33 the taxing districts which extend into the redevelopment area. Each redevelopment plan shall
 34 conform to the requirements of section 99.810;

35 [(14)] (19) "Redevelopment project", any development project within a redevelopment area
 36 in furtherance of the objectives of the redevelopment plan; any such redevelopment project shall
 37 include a legal description of the area selected for the redevelopment project;

38 [(15)] (20) "Redevelopment project costs" include the sum total of all reasonable or
 39 necessary costs incurred or estimated to be incurred, and any such costs incidental to a
 40 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited
 41 to, the following:

42 (a) Costs of studies, surveys, plans, and specifications;

43 (b) Professional service costs, including, but not limited to, architectural, engineering, legal,
 44 marketing, financial, planning or special services. Except the reasonable costs incurred by the
 45 commission established in section 99.820 for the administration of sections 99.800 to 99.865, such
 46 costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the
 47 costs of a redevelopment plan or project;

48 (c) Property assembly costs, including, but not limited to, acquisition of land and other

1 property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and
2 grading of land;

3 (d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and
4 fixtures;

5 (e) Initial costs for an economic development area;

6 (f) Costs of construction of public works or improvements;

7 (g) Financing costs, including, but not limited to, all necessary and incidental expenses
8 related to the issuance of obligations, and which may include payment of interest on any obligations
9 issued pursuant to sections 99.800 to [99.865] 99.873 accruing during the estimated period of
10 construction of any redevelopment project for which such obligations are issued and for not more
11 than eighteen months thereafter, and including reasonable reserves related thereto;

12 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment
13 project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment
14 plan and project, to the extent the municipality by written agreement accepts and approves such
15 costs;

16 (i) Relocation costs to the extent that a municipality determines that relocation costs shall be
17 paid or are required to be paid by federal or state law;

18 (j) Payments in lieu of taxes;

19 (21) "Retail project", any development project that devotes more than fifty percent of the
20 total estimated redevelopment project costs to the construction, reconstruction, or expansion of retail
21 establishments or infrastructure or facilities ancillary to sales at retail;

22 [(16)] (22) "Special allocation fund", the fund of a municipality or its commission which
23 contains at least two separate segregated accounts for each redevelopment plan, maintained by the
24 treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes
25 are deposited in one account, and economic activity taxes and other revenues are deposited in the
26 other account;

27 [(17)] (23) "Taxing districts", any political subdivision of this state having the power to levy
28 taxes;

29 [(18)] (24) "Taxing districts' capital costs", those costs of taxing districts for capital
30 improvements that are found by the municipal governing bodies to be necessary and to directly
31 result from the redevelopment project; and

32 [(19)] (25) "Vacant land", any parcel or combination of parcels of real property not used for
33 industrial, commercial, or residential buildings.

34 99.810. 1. Each redevelopment plan shall set forth in writing a general description of the
35 program to be undertaken to accomplish the objectives and shall include, but need not be limited to,
36 the estimated redevelopment project costs, the anticipated sources of funds to pay the costs,
37 evidence of the commitments to finance the project costs, the anticipated type and term of the
38 sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most
39 recent equalized assessed valuation of the property within the redevelopment area which is to be
40 subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an
41 estimate as to the equalized assessed valuation after redevelopment, and the general land uses to
42 apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality
43 without findings documented by substantial and competent evidence on the record that a reasonable
44 person would believe that:

45 (1) The redevelopment area on the whole is a blighted area, a conservation area, or an
46 economic development area, and has not been subject to growth and development through
47 investment by private enterprise and would not reasonably be anticipated to be developed without
48 the adoption of tax increment financing. Such a finding shall include, but not be limited to, a

1 detailed description of the factors that qualify the redevelopment area or project pursuant to this
 2 subdivision [and]; an affidavit[,] signed by the developer or developers, [and] submitted with the
 3 redevelopment plan, and attesting that the provisions of this subdivision have been met; and a study
 4 stating that records were reviewed, inspections were made, comparisons were made, or tasks were
 5 undertaken demonstrating that the property was not developed through private enterprise over a
 6 period of time. Such a study shall be signed by a responsible party or some party shall otherwise be
 7 designated as being responsible for the study's representations. The study shall be of sufficient
 8 specificity to allow representatives of the tax increment financing commission, the municipality, or
 9 both to conduct investigations deemed necessary in order to confirm its findings;

10 (2) The redevelopment plan conforms to the comprehensive plan for the development of the
 11 municipality as a whole;

12 (3) The estimated dates, which shall not be more than twenty-three years from the adoption
 13 of the ordinance approving a redevelopment project within a redevelopment area, of completion of
 14 any redevelopment project and retirement of obligations incurred to finance redevelopment project
 15 costs have been stated, provided that no ordinance approving a redevelopment project shall be
 16 adopted later than ten years from the adoption of the ordinance approving the redevelopment plan
 17 under which such project is authorized and provided that no property for a redevelopment project
 18 shall be acquired by eminent domain later than five years from the adoption of the ordinance
 19 approving such redevelopment project;

20 (4) A plan has been developed for relocation assistance for businesses and residences;

21 (5) A cost-benefit analysis showing the economic impact of the plan on each taxing district
 22 which is at least partially within the boundaries of the redevelopment area. The analysis shall show
 23 the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan
 24 under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected
 25 political subdivision, and sufficient information from the developer for the commission established
 26 in section 99.820 to evaluate whether the project as proposed is financially feasible;

27 (6) A finding that the plan does not include the initial development or redevelopment of any
 28 gambling establishment, provided however, that this subdivision shall be applicable only to a
 29 redevelopment plan adopted for a redevelopment area designated by ordinance after December 23,
 30 1997; and

31 (7) For redevelopment projects involving more than two hundred fifty thousand dollars in
 32 tax increment financing, an economic feasibility analysis including a pro forma financial statement
 33 indicating the return on investment expected without any public assistance. The financial statement
 34 shall detail any assumptions made. The pro forma statement analysis shall state the amount of
 35 assistance required to bring the return into a range deemed attractive to private investors. The
 36 amount of assistance shall be equal to the estimated reimbursable project costs.

37 2. All documentation and findings established under subsection 1 of this section shall be
 38 published and made available at no more than the cost of publication as a public document no later
 39 than thirty days prior to adoption of the plan by the municipality. Any resident of the municipality,
 40 or the county if in an unincorporated area, may file a petition in circuit court to enjoin the adoption
 41 of any redevelopment plan for which any requirement of subsection 1 or 3 of this section has not
 42 been complied with, and such injunction may extend until all such requirements have been complied
 43 with.

44 3. By the last day of February each year, each commission shall report to the director of
 45 economic development the name, address, phone number and primary line of business of any
 46 business which relocates to the district. The director of the department of economic development
 47 shall compile and report the same to the governor, the speaker of the house and the president pro
 48 tempore of the senate on the last day of April each year.

1 99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the
2 event a municipality has undertaken acts establishing a redevelopment plan and redevelopment
3 project and has designated a redevelopment area after the passage and approval of sections 99.800
4 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of
5 sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance
6 providing that after the total equalized assessed valuation of the taxable real property in a
7 redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable
8 real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if
9 any, arising from the levies upon taxable real property in such redevelopment project by taxing
10 districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year
11 after the effective date of the ordinance until redevelopment costs have been paid shall be divided as
12 follows:

13 (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or
14 parcel of real property which is attributable to the initial equalized assessed value of each such
15 taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project
16 shall be allocated to and, when collected, shall be paid by the county collector to the respective
17 affected taxing districts in the manner required by law in the absence of the adoption of tax
18 increment allocation financing;

19 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized
20 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for
21 the redevelopment project and any applicable penalty and interest over and above the initial
22 equalized assessed value of each such unit of property in the area selected for the redevelopment
23 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who shall
24 deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the
25 municipality for the purpose of paying redevelopment costs and obligations incurred in the payment
26 thereof. Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in
27 such taxing district's levy rate for ad valorem tax on real property, any additional revenues generated
28 within an existing redevelopment project area that are directly attributable to the newly voter-
29 approved incremental increase in such taxing district's levy rate shall not be considered payments in
30 lieu of taxes subject to deposit into a special allocation fund without the consent of such taxing
31 district. Revenues will be considered directly attributable to the newly voter-approved incremental
32 increase to the extent that they are generated from the difference between the taxing district's actual
33 levy rate currently imposed and the maximum voter-approved levy rate at the time that the
34 redevelopment project was adopted. Payments in lieu of taxes which are due and owing shall
35 constitute a lien against the real estate of the redevelopment project from which they are derived and
36 shall be collected in the same manner as the real property tax, including the assessment of penalties
37 and interest where applicable. The municipality may, in the ordinance, pledge the funds in the
38 special allocation fund for the payment of such costs and obligations and provide for the collection
39 of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special
40 assessment lien as provided in section 88.861. No part of the current equalized assessed valuation
41 of each lot, block, tract, or parcel of property in the area selected for the redevelopment project
42 attributable to any increase above the total initial equalized assessed value of such properties shall
43 be used in calculating the general state school aid formula provided for in section 163.031 until such
44 time as all redevelopment costs have been paid as provided for in this section and section 99.850.

45 (b) Notwithstanding any provisions of this section to the contrary, for purposes of
46 determining the limitation on indebtedness of local government pursuant to Article VI, Section
47 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area
48 selected for redevelopment attributable to the increase above the total initial equalized assessed

1 valuation shall be included in the value of taxable tangible property as shown on the last completed
2 assessment for state or county purposes.

3 (c) The county assessor shall include the current assessed value of all property within the
4 taxing district in the aggregate valuation of assessed property entered upon the assessor's book and
5 verified pursuant to section 137.245, and such value shall be utilized for the purpose of the debt
6 limitation on local government pursuant to Article VI, Section 26(b) of the Missouri Constitution;

7 (3) For purposes of this section, "levies upon taxable real property in such redevelopment
8 project by taxing districts" shall not include the blind pension fund tax levied under the authority of
9 Article III, Section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'
10 inventory replacement tax levied under the authority of subsection 2 of Section 6 of Article X of the
11 Missouri Constitution, except in redevelopment project areas in which tax increment financing has
12 been adopted by ordinance pursuant to a plan approved by vote of the governing body of the
13 municipality taken after August 13, 1982, and before January 1, 1998.

14 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of
15 this section, for redevelopment plans and projects adopted or redevelopment projects approved by
16 ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total additional
17 revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts,
18 which are generated by economic activities within the area of the redevelopment project over the
19 amount of such taxes generated by economic activities within the area of the redevelopment project
20 in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax
21 increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping
22 rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500,
23 licenses, fees or special assessments other than payments in lieu of taxes and any penalty and
24 interest thereon, or, effective January 1, 1998, taxes levied pursuant to section 94.660, for the
25 purpose of public transportation, shall be allocated to, and paid by the local political subdivision
26 collecting officer to the treasurer or other designated financial officer of the municipality, who shall
27 deposit such funds in a separate segregated account within the special allocation fund. Any
28 provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a
29 municipality and any other political subdivision which provides for an appropriation of other
30 municipal revenues to the special allocation fund shall be and remain enforceable.

31 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of
32 this section, for redevelopment plans and projects adopted or redevelopment projects approved by
33 ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties
34 and interest which are imposed by the municipality or other taxing districts, and which are
35 generated by economic activities within the area of the redevelopment project over the amount of
36 such taxes generated by economic activities within the area of the redevelopment project in the
37 calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment
38 financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges
39 for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section
40 70.500, taxes levied for the purpose of public transportation pursuant to section 94.660, taxes
41 imposed on sales pursuant to subsection 2 of section 67.1712 for the purpose of operating and
42 maintaining a metropolitan park and recreation district, licenses, fees or special assessments other
43 than payments in lieu of taxes and penalties and interest thereon, any sales tax imposed by a county
44 with a charter form of government and with more than six hundred thousand but fewer than seven
45 hundred thousand inhabitants, for the purpose of sports stadium improvement or levied by such
46 county under section 238.410 for the purpose of the county transit authority operating transportation
47 facilities, or for redevelopment plans and projects adopted or redevelopment projects approved by
48 ordinance after August 28, 2013, taxes imposed on sales under and pursuant to section 67.700 or

1 650.399 for the purpose of emergency communication systems, shall be allocated to, and paid by the
2 local political subdivision collecting officer to the treasurer or other designated financial officer of
3 the municipality, who shall deposit such funds in a separate segregated account within the special
4 allocation fund. Beginning August 28, 2014, if the voters in a taxing district vote to approve an
5 increase in such taxing district's sales tax or use tax, other than the renewal of an expiring sales or
6 use tax, any additional revenues generated within an existing redevelopment project area that are
7 directly attributable to the newly voter-approved incremental increase in such taxing district's levy
8 rate shall not be considered economic activity taxes subject to deposit into a special allocation fund
9 without the consent of such taxing district.

10 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
11 redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of
12 this section, in addition to the payments in lieu of taxes and economic activity taxes described in
13 subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in
14 subsection 8 of this section, estimated for the businesses within the project area and identified by the
15 municipality in the application required by subsection 10 of this section, over and above the amount
16 of such taxes reported by businesses within the project area as identified by the municipality in their
17 application prior to the approval of the redevelopment project by ordinance, while tax increment
18 financing remains in effect, may be available for appropriation by the general assembly as provided
19 in subsection 10 of this section to the department of economic development supplemental tax
20 increment financing fund, from the general revenue fund, for distribution to the treasurer or other
21 designated financial officer of the municipality with approved plans or projects.

22 5. The treasurer or other designated financial officer of the municipality with approved
23 plans or projects shall deposit such funds in a separate segregated account within the special
24 allocation fund established [pursuant to section 99.805] under sections 99.800 to 99.865.

25 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
26 financing fund shall be made unless an appropriation is made from the general revenue fund for that
27 purpose. No municipality shall commit any state revenues prior to an appropriation being made for
28 that project. For all redevelopment plans or projects adopted or approved after December 23, 1997,
29 appropriations from the new state revenues shall not be distributed from the Missouri supplemental
30 tax increment financing fund into the special allocation fund unless the municipality's
31 redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent
32 of economic activity taxes generated by the project shall be used for eligible redevelopment project
33 costs while tax increment financing remains in effect. This account shall be separate from the
34 account into which payments in lieu of taxes are deposited, and separate from the account into
35 which economic activity taxes are deposited.

36 7. In order for the redevelopment plan or project to be eligible to receive the revenue
37 described in subsection 4 of this section, the municipality shall comply with the requirements of
38 subsection 10 of this section prior to the time the project or plan is adopted or approved by
39 ordinance. The director of the department of economic development and the commissioner of the
40 office of administration may waive the requirement that the municipality's application be submitted
41 prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's
42 approval by ordinance.

43 8. For purposes of this section, "new state revenues" means:

44 (1) The incremental increase in the general revenue portion of state sales tax revenues
45 received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated, taxes
46 deposited to the school district trust fund in accordance with section 144.701, sales and use taxes on
47 motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. In no
48 event shall the incremental increase include any amounts attributable to retail sales unless the

1 municipality or authority has proven to the Missouri development finance board and the department
 2 of economic development and such entities have made a finding that the sales tax increment
 3 attributable to retail sales is from new sources which did not exist in the state during the baseline
 4 year. The incremental increase in the general revenue portion of state sales tax revenues for an
 5 existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state
 6 sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10
 7 of this section; or

8 (2) The state income tax withheld on behalf of new employees by the employer pursuant to
 9 section 143.221 at the business located within the project as identified by the municipality. The
 10 state income tax withholding allowed by this section shall be the municipality's estimate of the
 11 amount of state income tax withheld by the employer within the redevelopment area for new
 12 employees who fill new jobs directly created by the tax increment financing project.

13 9. Subsection 4 of this section shall apply only to the following:

14 (1) Blighted areas located in distressed communities under section 135.530, blighted areas
 15 located in enterprise zones, pursuant to sections 135.200 to 135.256 blighted areas located in federal
 16 empowerment zones, or to blighted areas located in central business districts or urban core areas of
 17 cities which districts or urban core areas at the time of approval of the project by ordinance,
 18 provided that the enterprise zones, federal empowerment zones or blighted areas contained one or
 19 more buildings at least fifty years old; and

20 (a) Suffered from generally declining population or property taxes over the twenty-year
 21 period immediately preceding the area's designation as a project area by ordinance; or

22 (b) Was a historic hotel located in a county of the first classification without a charter form
 23 of government with a population according to the most recent federal decennial census in excess of
 24 one hundred fifty thousand and containing a portion of a city with a population according to the
 25 most recent federal decennial census in excess of three hundred fifty thousand;

26 (2) Blighted areas consisting solely of the site of a former automobile manufacturing plant
 27 located in any county with a charter form of government and with more than nine hundred fifty
 28 thousand inhabitants. For the purposes of this section, "former automobile manufacturing plant"
 29 means a redevelopment area containing a minimum of one hundred acres, and such redevelopment
 30 area was previously used primarily for the manufacture of automobiles but ceased such
 31 manufacturing after the 2007 calendar year; or

32 (3) Blighted areas consisting solely of the site of a former insurance company national
 33 service center containing a minimum of one hundred acres located in any county with a charter form
 34 of government and with more than nine hundred fifty thousand inhabitants.

35 10. The initial appropriation of up to fifty percent of the new state revenues authorized
 36 pursuant to subsection 4 of this section shall not be made to or distributed by the department of
 37 economic development to a municipality until all of the following conditions have been satisfied:

38 (1) The director of the department of economic development or his or her designee and the
 39 commissioner of the office of administration or his or her designee have approved a tax increment
 40 financing application made by the municipality for the appropriation of the new state revenues. The
 41 municipality shall include in the application the following items in addition to the items in section
 42 99.810:

43 (a) The tax increment financing district or redevelopment area, including the businesses
 44 identified within the redevelopment area;

45 (b) The base year of state sales tax revenues or the base year of state income tax withheld on
 46 behalf of existing employees, reported by existing businesses within the project area prior to
 47 approval of the redevelopment project;

48 (c) The estimate of the incremental increase in the general revenue portion of state sales tax

1 revenue or the estimate for the state income tax withheld by the employer on behalf of new
2 employees expected to fill new jobs created within the redevelopment area after redevelopment;

3 (d) The official statement of any bond issue pursuant to this subsection after December 23,
4 1997;

5 (e) An affidavit that is signed by the developer or developers attesting that the provisions of
6 subdivision (1) of subsection 1 of section 99.810 have been met and specifying that the
7 redevelopment area would not be reasonably anticipated to be developed without the appropriation
8 of the new state revenues;

9 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact
10 on the state of Missouri;

11 (g) The statement of election between the use of the incremental increase of the general
12 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
13 behalf of new employees who fill new jobs created in the redevelopment area;

14 (h) The name, street and mailing address, and phone number of the mayor or chief
15 executive officer of the municipality;

16 (i) The street address of the development site;

17 (j) The three-digit North American Industry Classification System number or numbers
18 characterizing the development project;

19 (k) The estimated development project costs;

20 (l) The anticipated sources of funds to pay such development project costs;

21 (m) Evidence of the commitments to finance such development project costs;

22 (n) The anticipated type and term of the sources of funds to pay such development project
23 costs;

24 (o) The anticipated type and terms of the obligations to be issued;

25 (p) The most recent equalized assessed valuation of the property within the development
26 project area;

27 (q) An estimate as to the equalized assessed valuation after the development project area is
28 developed in accordance with a development plan;

29 (r) The general land uses to apply in the development area;

30 (s) The total number of individuals employed in the development area, broken down by full-
31 time, part-time, and temporary positions;

32 (t) The total number of full-time equivalent positions in the development area;

33 (u) The current gross wages, state income tax withholdings, and federal income tax
34 withholdings for individuals employed in the development area;

35 (v) The total number of individuals employed in this state by the corporate parent of any
36 business benefitting from public expenditures in the development area, and all subsidiaries thereof,
37 as of December thirty-first of the prior fiscal year, broken down by full-time, part-time, and
38 temporary positions;

39 (w) The number of new jobs to be created by any business benefitting from public
40 expenditures in the development area, broken down by full-time, part-time, and temporary
41 positions;

42 (x) The average hourly wage to be paid to all current and new employees at the project site,
43 broken down by full-time, part-time, and temporary positions;

44 (y) For project sites located in a metropolitan statistical area, as defined by the federal
45 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in
46 this state for the industries involved at the project, as established by the United States Bureau of
47 Labor Statistics;

48 (z) For project sites located outside of metropolitan statistical areas, the average weekly

1 wage paid to nonmanagerial employees in the county for industries involved at the project, as
2 established by the United States Department of Commerce;

3 (aa) A list of other community and economic benefits to result from the project;

4 (bb) A list of all development subsidies that any business benefitting from public
5 expenditures in the development area has previously received for the project, and the name of any
6 other granting body from which such subsidies are sought;

7 (cc) A list of all other public investments made or to be made by this state or units of local
8 government to support infrastructure or other needs generated by the project for which the funding
9 pursuant to this section is being sought;

10 (dd) A statement as to whether the development project may reduce employment at any
11 other site, within or without the state, resulting from automation, merger, acquisition, corporate
12 restructuring, relocation, or other business activity;

13 (ee) A statement as to whether or not the project involves the relocation of work from
14 another address and if so, the number of jobs to be relocated and the address from which they are to
15 be relocated;

16 (ff) A list of competing businesses in the county containing the development area and in
17 each contiguous county;

18 (gg) A market study for the development area;

19 (hh) A certification by the chief officer of the applicant as to the accuracy of the
20 development plan;

21 (2) The methodologies used in the application for determining the base year and
22 determining the estimate of the incremental increase in the general revenue portion of the state sales
23 tax revenues or the state income tax withheld by employers on behalf of new employees who fill
24 new jobs created in the redevelopment area shall be approved by the director of the department of
25 economic development or his or her designee and the commissioner of the office of administration
26 or his or her designee. Upon approval of the application, the director of the department of economic
27 development or his or her designee and the commissioner of the office of administration or his or
28 her designee shall issue a certificate of approval. The department of economic development may
29 request the appropriation following application approval;

30 (3) The appropriation shall be either a portion of the estimate of the incremental increase in
31 the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the
32 estimate of the state income tax withheld by the employer on behalf of new employees who fill new
33 jobs created in the redevelopment area as indicated in the municipality's application, approved by
34 the director of the department of economic development or his or her designee and the
35 commissioner of the office of administration or his or her designee. At no time shall the annual
36 amount of the new state revenues approved for disbursements from the Missouri supplemental tax
37 increment financing fund exceed thirty-two million dollars; provided, however, that such thirty-two
38 million dollar cap shall not apply to redevelopment plans or projects initially listed by name in the
39 applicable appropriations bill after August 28, 2015, which involve either:

40 (a) A former automobile manufacturing plant; or

41 (b) The retention of a federal employer employing over two thousand geospatial intelligence
42 jobs.

43
44 At no time shall the annual amount of the new state revenues for disbursements from the Missouri
45 supplemental tax increment financing fund for redevelopment plans and projects eligible under the
46 provisions of paragraph (a) of this subdivision exceed four million dollars in the aggregate. At no
47 time shall the annual amount of the new state revenues for disbursements from the Missouri
48 supplemental tax increment financing fund for redevelopment plans and projects eligible under the

1 provisions of paragraph (b) of this subdivision exceed twelve million dollars in the aggregate. To
 2 the extent a redevelopment plan or project independently meets the eligibility criteria set forth in
 3 both paragraphs (a) and (b) of this subdivision, then at no such time shall the annual amount of new
 4 state revenues for disbursements from the Missouri supplemental tax increment financing fund for
 5 such eligible redevelopment plan or project exceed twelve million dollars in the aggregate;

6 (4) Redevelopment plans and projects receiving new state revenues shall have a duration of
 7 up to fifteen years, unless prior approval for a longer term is given by the director of the department
 8 of economic development or his or her designee and the commissioner of the office of
 9 administration or his or her designee; except that, in no case shall the duration exceed twenty-three
 10 years.

11 11. In addition to the areas authorized in subsection 9 of this section, the funding authorized
 12 pursuant to subsection 4 of this section shall also be available in a federally approved levee district,
 13 where construction of a levee begins after December 23, 1997, and which is contained within a
 14 county of the first classification without a charter form of government with a population between
 15 fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a
 16 population in excess of four hundred thousand or more inhabitants.

17 12. There is hereby established within the state treasury a special fund to be known as the
 18 "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of
 19 economic development. The department shall annually distribute from the Missouri supplemental
 20 tax increment financing fund the amount of the new state revenues as appropriated as provided in
 21 the provisions of subsection 4 of this section if and only if the conditions of subsection 10 of this
 22 section are met. The fund shall also consist of any gifts, contributions, grants or bequests received
 23 from federal, private or other sources. Moneys in the Missouri supplemental tax increment
 24 financing fund shall be disbursed per project pursuant to state appropriations.

25 13. Redevelopment project costs may include, at the prerogative of the state, the portion of
 26 salaries and expenses of the department of economic development and the department of revenue
 27 reasonably allocable to each redevelopment project approved for disbursements from the Missouri
 28 supplemental tax increment financing fund for the ongoing administrative functions associated with
 29 such redevelopment project. Such amounts shall be recovered from new state revenues deposited
 30 into the Missouri supplemental tax increment financing fund created under this section.

31 14. For redevelopment plans or projects approved by ordinance that result in net new jobs
 32 from the relocation of a national headquarters from another state to the area of the redevelopment
 33 project, the economic activity taxes and new state tax revenues shall not be based on a calculation of
 34 the incremental increase in taxes as compared to the base year or prior calendar year for such
 35 redevelopment project, rather the incremental increase shall be the amount of total taxes generated
 36 from the net new jobs brought in by the national headquarters from another state. In no event shall
 37 this subsection be construed to allow a redevelopment project to receive an appropriation in excess
 38 of up to fifty percent of the new state revenues.

39 99.867. 1. Except as provided under subsections 2 and 3 of this section and under section
 40 99.868, sections 99.867 to 99.873 shall apply to any municipality located within the state. Sections
 41 99.867 to 99.873 shall apply to all redevelopment projects which are approved by a municipality
 42 after June 30, 2017.

43 2. Any redevelopment project consisting solely of public infrastructure improvements on
 44 public land requiring two hundred fifty thousand dollars or less in tax increment financing, wherein
 45 the bonds for such project will be paid off in seven years or less, shall be exempt from the
 46 provisions of sections 99.867 to 99.873, provided, no stringing of projects shall be allowed. No
 47 exempt project under this section shall be combined with another exempt project pursuant to this
 48 section for a period of five years.

1 3. Any redevelopment project for which eligible project redevelopment costs are to be paid
 2 from only the portion of the total economic activity taxes and payments in lieu of taxes imposed by
 3 the municipality and for which no real or potential revenues from other taxing jurisdictions are
 4 involved is exempt from the provisions of sections 99.867 to 99.873.

5 99.868. 1. For redevelopment projects located entirely or partially within metropolitan
 6 statistical areas of the state, as defined by the federal Office of Management and Budget, the
 7 municipality and any proposed redevelopment area shall meet the requirements of section 99.810
 8 and this section. An area may qualify if:

9 (1) The host municipality or, for unincorporated areas, the host school district has low fiscal
 10 capacity;

11 (2) The census block group or groups, as defined in the most recent decennial census,
 12 containing the proposed redevelopment area have high unemployment; or

13 (3) The municipality, census block group or groups, as defined in the most recent decennial
 14 census, containing the proposed redevelopment area are characterized by moderate income.

15 2. For retail projects not located entirely or partially within a metropolitan statistical area in
 16 the state, tax increment financing may be used if the municipality has made a finding that conditions
 17 exist which cause the area to be classified as a blighted area or a conservation area. Such area shall
 18 have the following additional characteristics:

19 (1) It is located in the central business district of a city, town, or village;

20 (2) It includes only those parcels of real property directly and substantially benefitted by the
 21 proposed redevelopment plan;

22 (3) It can be renovated through one or more redevelopment projects;

23 (4) The establishments in the area have generally suffered from stagnant or declining
 24 taxable sales or corporate receipts during the preceding three years;

25 (5) It is contiguous or includes up to three noncontiguous areas selected for redevelopment
 26 projects, provided that each noncontiguous area meets the requirements of subdivisions (1) to (4) of
 27 this subsection; and

28 (6) The redevelopment area shall not exceed ten percent of the entire area of the
 29 municipality.

30
 31 Tax increment financing shall not be used to develop retail projects in areas outside the metropolitan
 32 statistical areas of the state unless the area meets the criteria above.

33 3. Tax increment financing shall not be used for more than five percent of the total
 34 estimated redevelopment costs or thirty percent of the infrastructure costs, whichever is greater, of a
 35 project that is primarily retail unless the redevelopment is in a municipality, census block group, or
 36 group of block groups with a median household income less than seventy percent of that of the
 37 metropolitan area, a distressed community as defined in section 135.530, a federal enterprise zone,
 38 or a federal empowerment zone. Tax increment financing shall not be used to develop sites in
 39 which twenty-five percent or more of the area is vacant and was not previously developed, presently
 40 qualifies as "open space" under section 67.900, or is presently used for agricultural or horticultural
 41 purposes, except if the redevelopment project is contained in the municipality's comprehensive plan
 42 or consumes less than ten acres of land contiguous to a central business district located outside a
 43 metropolitan statistical area of the state.

44 99.870. Commencing with the first fiscal year in which any municipality receives any
 45 payments in lieu of taxes from a redevelopment project and continuing through the last fiscal year in
 46 which the municipality receives such payments, the municipality shall pay to any other taxing
 47 entities entitled to receive revenue from levies on real property in such municipality, an amount
 48 equal to twenty-five percent of the payments in lieu of taxes received by the municipality. This

1 amount shall be divided among the other affected taxing entities on a basis that is proportional to the
2 collections of revenue from real property in the development area to which each such taxing district
3 is entitled during that tax year. If a tax increment financing project includes residential uses, absent
4 a recommendation to the contrary from commission members representing the affected school board
5 or boards, real property tax levies attributable to the residential portion of the development shall
6 pass through to the school district or districts.

7 99.872. The municipality and the developer shall annually submit information to the
8 department regarding the approved plan. The department shall establish reporting requirements by
9 rule promulgated under chapter 536. The report shall, at a minimum, identify the number and
10 location of redevelopment areas, quantify public investment in each, assess the public benefit as
11 quantified in terms of tax revenue and net new job creation, and show the economic impact of the
12 project on each taxing district which is at least partially within the boundaries of the redevelopment
13 area. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under
14 the authority delegated in this section shall become effective only if it complies with and is subject
15 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter
16 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter
17 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held
18 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
19 August 28, 2016, shall be invalid and void. The department shall submit a report to the governor
20 and the general assembly by the last day of April of each year.

21 99.873. Any district providing emergency services under chapter 190 or 321 shall be
22 entitled to reimbursement from the special allocation fund for direct costs. However, such
23 reimbursement shall not be less than twenty-five percent nor more than one hundred percent of the
24 district's tax increment."; and"; and
25

26 Further amend said bill by amending the title, enacting clause, and intersectional references
27 accordingly.
28

29 THIS AMENDS 4514H06.13H